

COMMITTEE ON ADMINISTRATION/INFORMATION SYSTEMS

April 1, 2003

5:30 PM

Chairman Gatsas called the meeting to order.

The Clerk called the roll.

Present: Aldermen Gatsas, Guinta (late), Osborne, Forest and O'Neil

Chairman Gatsas stated what I'd like to do is instead of doing the non-public session let's do the other ones and then we can do it. But let's go to number 4, a presentation by Pitney Bowes and FORMAX regarding City Hall's...

Chairman Gatsas addressed Item 4 of the agenda:

Presentation by Pitney Bowes and FORMAX regarding the City's mail operations.

Good evening gentlemen. My name Bill Lustig with Pitney Bowes. What I'm going to be showing you is the results of a seven and one half to eight month survey that I've done throughout the City in an effort to capture what the current mail costs are. Okay so to start out basically what I did as I mentioned we went around to every single department in the City and tried to get a better understanding for the documentation of how it take place from the origin of the document all the way through the mailing process. We found out a few interesting things. There's a lot of hand folding and inserting that was going on. Time spent doing that. There was a fair amount of label printing, in other words in order to address the mail piece people are printing labels and spending the time to put them on. There were definitely some costs associated with out-sources in the case of the bills coming from EPD and from the water department and from the tax office. In most cases the mailings that were being done within the City, in other words not being out-sourced, were not being presorted for any discounts at all. So they were being mailed at what I call the penalty rate, the single piece first class rate. There's really not method for address verification at this point. So in other words, there's no tool that the City has that tells them before they mail a piece whether or not that address is still valid or if that person still lives there. Presently the City is using some fairly expensive window envelopes. The costs that I was able to ascertain for a single window envelope is five cents, as compared to the cost of a non-window envelope which is about a penny and a half and that's going to be important as we'll find out later on. There's a fair amount of mail being returned to

bad address. In other words the address wasn't good to begin with, or somebody has moved from one location to another and that's not found out until after the fact, and by that time the mail piece has been returned and the money has been spent. And there is a fair amount of time and costs that are associated with sending out certified mail with return receipts and we'll talk more about that in just a minute. So based on this, what I did I put together an Excel spreadsheet which I think you folks had a chance to look at before I came here to show that showed what all the costs were for the City. Have you seen that? Do you want to see that again? So what I did, I went to each individual department and there was some criteria that we tried to capture. Basically what I did, is I went through every single department and I did an evaluation of how many, what each department is mailing and what type of mailing is being done. So for example, if we just go to the first column for example...let's skip the Health Department for a second; let's go to the sewer bills. There's 5,100 mail pieces that are being sent out 12 times per year or on a monthly basis, for a total mailing quantity of 61,200 over the course of a year. The postage has been blacked out here because that's being out-sourced and at this point in time the City is taking advantage of the best postal discount possible because the out-sourcing house is automating that particular mailing for them. The City today is spending today five cents per envelope for that mailing because they're using a window envelope. Now what I'm proposing as my solution is we go back to a non-window envelope. The City right now is spending anywhere between two and one half to three cents per form, which I included on my spreadsheet that I supplied. I'm proposing that we go to a plain piece of paper. At this point in time I'm also proposing that we can take away all the charges for the return envelopes and all the costs for resending the postage. Can you guys see that? I'm having a hard time seeing that.

Alderman Gatsas replied just the black part we can't see.

Mr. Lustig continued what I'm proposing at this point is a tool that we call a reformatting piece of software. That's going to do a number of things for us. What I'm proposing at this point, the database that the City uses is the database by the name HTE, which is very complicated in terms of being able to use and manipulate the way these need to be done in order to accommodate the most efficient mailing process. So what I'm proposing is a tool that we refer to called reformatting software, and that's going to do a number of different things. We are going to be able to work with the current print stream, so we're not asking the City to change their software at all, what we're asking to do is work with the print stream and we can do a number of things with that. So we're not looking to replace HTE at any standpoint, but once somebody hits print, there's a number of different things that we can do. We can take all of the existing forms that the City is sending, right now there's four or five of them right now depending on the type of bill that is being printed and costs anywhere from two and one half cents to three and a half cents a piece. We can take all of those forms and we can recreate them on a plain piece of paper with our reformatting software. So we're

going to replace a lot of the costly forms. We can allow...by doing that we can allow more flexibility in the form itself. For example, when talking with EPD there are a number of things they can do or wish they could do with their form. There is information that they would prefer the customer don't see because it causes questions to be asked and they don't necessarily want to be asked. There is additional information, such as messages and what not that they'd like to be able to add onto that sewer bill that they can't do at this particular point in time. So we can give them ability to do that. We can also do what we call OMR marketing. By adding OMR we can do a number of different things. We can add bar codes to the forms. So we can add OMR marks, and basically what OMR marks are just hash marks that we can add to the forms. They can tell our mechanical solution what to do with that form. So we can do a number of different things. We can take mail pieces or statements or bills that are meant to go to the same mailing address and consolidate them as part of the print stream. In other words, if I have two separate addresses...or if there are multiple bills going to the same address I can consolidate those into the print stream so conceivable I can put them into one envelope. Today that can't be done without a whole lot of labor being done as far as going through the printed bills manually. So I can combine bills that are mailed to the same address. I can take oversize mail and I can divert them, have the print out as part of a separate print stream. So anything that's over five sheets which really doesn't necessarily fit into a number ten envelope, I can divert those and I can put them into a separate envelope, or in the case of the water department, there's some bills that they don't even necessarily mail. They have to set those off to the side and not doing anything with them. They spend about three or four hours per statement run to do that. We can divert those and have them print out as a separate print stream so they can just sit off to the side and not be mailed. The OMAR marks will tell our mechanical solution, which we'll talk about in just a minute, when a form begins and ends. So if my form is two pages long and your form is five pages long, and your page is three pages long, OMAR tells the mechanical solution when the beginning and end of collation is. So it will take in the proper amount of documents and maintain the integrity of those documents and put them into an envelope. We can also perform what we call selective insertion. So in some case if there's a notice or something that needs to go into that envelope that pertains only to that particular recipient...for example if I'm late on my water bill, I can insert late notices only when I need to insert them and who I need to insert them for. By doing that we eliminate a lot of manual handling of material that's taking place. I apologize for the black writing guys so that's why I'm not going through those versions up on the screen. I didn't anticipate that. OK our software solution is going to include what we call Cass and Pave Certified Software. We can do a number of things with that. We can correct and mark a correction to addresses that don't look right. So we can import all of the addresses, all of the people that the City is mailing to presently and we can cleanse those addresses for you and we can do that in a number of different ways. If there's things there that we know that we can fix, for example if there's a zip code that's transposed, so the street exists in the city but the zip code is wrong. We

can fix that automatically and tell you how we fixed it so we can go back to main source database and fix that. If there's things that we can't fix, but we know are wrong, there's no such number on a street or a street is misspelled, we can flag that for you so you know about that and then you can go ahead and make those corrections. So by doing that all of this mail that gets sent out and then returned, we can eliminate that. Now I'm going to go to the end of my presentation here. That's pretty much what we can do from a solution standpoint. Let's get down to the cost.

Mr. Lustig continued Okay right now the cost for the mailing equipment which is part of our centralized proposal really is going to do a couple of things. I didn't hit too much upon this at the beginning, but right now there's a spattering of about eight or nine different pieces of mailing equipment throughout the city. All being paid for by individual departments. What our proposal would include would be to consolidate all of that and create a centralized mailing location. So by doing that what we're proposing is a piece of equipment called a DM-800 with accounting and a printer. And basically what that's going to do is give us the ability to centralize the mail in one spot...what I've also included is the option to buy out all the leases that the City currently has, and so by doing that we can actually lower the payment on the mailing equipment. I'll show you that in a few minutes. As far as the Documatch goes, we're basically looking at a two-part solution. I've already talked about the software piece. The hardware piece of it...I apologize for bouncing on, I didn't want to go through every single slide since you folks have had a chance to see this. We've talked about the software; what we're looking at is a two piece mechanical solution. What we have here is a piece of equipment called a Documatch and the Documatch is a single piece mailing solution. And that will do a number of different things. It's comprised of several different components. On the right hand side where that arrow is pointing we have the ability to print all of our documents. So embedded in that Documatch is a laser printer. On the bottom there we have what we call a cut-sheet drawer, so we can automatically add preprinted cut-sheets if there was a message sheet that we wanted to mix in with our mailing, we have the ability to do that. I could automatically add what we call a business reply...an inserter; a non-folded BRE, something that doesn't have to be folded, a business reply envelope or something like that, which will work in the case of the mailing from the water department. I can take all that and fold that and insert into a number 10 envelope and at the same time while I'm doing that I'm preprinting a non-addressed or a non-window envelope. Okay, so I'm using a one and a half-cent envelop instead a five-cent envelope. And then in the output tray I can print all that in presort order the way the Post Office wants to see them. So by doing that I've done a few different things. I've eliminated the cost of the form, we've eliminated the cost of the expensive envelopes and because we can do the things the mail house can do, as part of this one-piece solution, we've eliminated the cost of the envelope. As far as the mailing system goes, what we're proposing is what we call a centralized DM-800 mailing system with weigh on the way. So basically what we would have the ability to do is to stack up the mail of any weight of any size, be able

to put it on the tray, be able to weigh it inside the machine, with our internal weighing, and then be able to post it automatically and then spit it out on the other end. Virtually cutting the mail time by...from hours to minutes basically. Now the solution we're going to talk about as far as the cost goes is going to include the Documatch mailing system, we're going to include our PB first reformatting software which is going to include another piece of software that is called Smart Mailer which is going to all the tracking of the addresses and the people moves. Our DM-800 mailing system with weigh on the way technology. We're going to include 12 days of integration and training and also what we call mail coach training, so we'll actually take what we would end up creating as a resident expert and teaching them how to do a presorted mailing. So the benefits to the City is that we can increase the productivity. If you'll take a look at my spreadsheets, all I've done is I've talked about hard dollar savings, I haven't talked about any of the labor savings because those are soft costs and only the City can put a value to them. But we can reduce labor time because nobody's doing all of the...the internal sorting of the mail is being done in the tax collectors office and in the case of the dog licenses and some of the other bills. In terms of the Health Department there's no manual processing of the mail there. Those are just to name a couple departments. We can separate out bills and statements that aren't mailed. For example the water and the EPD departments, so those get printed out as a separate print stream. We can combine bills and statements to go to the same recipient and then we can save on the reprocessing on the mail that's been returned. That doesn't have to be done because the mail won't be returned. We can process certified mail electronically so we can save some labor there and we can use that time saved for more meaningful tasks. Time sensitive mailings – from inception to the post office in one day. And we can also improve the cash flow to the City; and what I mean by that is what we're thinking and can throw it out on the table is that in terms of the mailings that are being done today that bring revenue to the City, because the mailings are easy to be done and the postal discounts are set up for smaller quantities, tax bills could be sent out quarterly instead of annually. So there's a way to improve the cash flow to the City at that point. So bills and statements can be sent at a higher frequency. We can decrease costs. We can save ten cents average per piece on mail presently not being presorted in house, and again a lot of that is the mail that's being done by the...a couple ones that come to mind are the ones being done by the tax collector's office in terms of dog licenses and there was one other one... We can reduce the mail that is undeliverable as addressed. We can reduce the envelope cost. Remember I said the window envelope was five cents to the City, that we can do all of the mailings in penny and a half non-window envelopes. So we can save 3 and a half cents per envelope just by using non-windows. We can reduce the label cost because we don't necessarily need labels, we can print directly to the mail piece and then we can eliminate costly certified mail forms. We can eliminate the out-source costs.

Alderman Guinta asked do you currently do business with the City?

Mr. Lustig answered yes we do.

Alderman Guinta asked as a City or how does that work right now? Is it centralized? Do you work with one department who oversees everything?

Mr. Lustig answered no we don't. Each...the way it works today, each department is seems to be responsible for their own purchasing choices. So for example, we have seven pieces of mailing equipment we have for the whole the City. It's eight or nine pieces of mailing equipment anyway, so we have one...off the top of my head I this building alone there's four of them. There's one in the tax collectors office...

Alderman Guinta asked they're purchased or leased?

Mr. Lustig answered both. Most of them are leased. I think there's one that's actually being purchased but most of them are being leased at this point in time. Or actually what we call a term rental.

Alderman Guinta asked so this would be an alternative terms of savings to current plan?

Mr. Lustig answered correct.

Alderman Guinta asked how long have we been processing mail in the current form?

Mr. Lustig replied well I've been with Pitney Bowes for seven years, so it's been as long as I can remember.

Alderman Guinta stated I guess my question is why wasn't this brought before the board five years ago?

Mr. Lustig asked by me personally or by Pitney Bowes?

Alderman Guinta replied by you, by Pitney Bowes.

Mr. Lustig stated it's been brought up in conversation, but there didn't seem to be an interest in centralization, and not being aware...I guess personally myself no being aware of the process. It wasn't until Mike Lopez called me and asked me to do that.

Alderman Guinta stated your thought is eventually...give me two numbers. What we're paying now and what your proposal is?

Mr. Lustig replied if you can go to the very...third to the last or fourth to the last page of the presentation that was in that folder that I had given.

Alderman Guinta asked there's an increased cost in the first year, correct? Because of purchasing equipment?

Mr. Lustig answered correct. Depending on how it's acquired. I broke it down into two pieces because for reasons that I can get into I can spend a half an hour from the mailing equipment is going to be a lot less expensive to the City to use the term rental program that we offer through the state government. We have an appropriations clause there's a number of reasons for that, so taking into consideration the fact that in order to purchase...to lease the piece of mailing equipment that we have today there will be a \$473.00 per month equipment payment, plus \$151.00 maintenance payment and then \$79.00 to rent the meter. But if you go to the next page, the one that has the graph on it, when I added up all the code equipment costs that the City is spending today just on mailing equipment, so hard dollar cost, it's \$916.00 a month. And I have the graph and everything to back that up.

Alderman Guinta said well let me ask you this. Is there a way that we can negotiate keeping the current equipment, purchasing it and having some of the leasing money go towards the purchase price?

Mr. Lustig replied anything is possible. The only concern that I have with that Frank is that there's not one piece of equipment in the City that can support the whole City's volume.

Alderman Guinta continued but right now we're paying, according to this sheet is \$35,000 a year that we're spending minus labor costs. According to this?

Mr. Lustig asked how are you getting that number? Yes, that's correct.

Alderman Guinta asked where is that corresponding number on your proposal?

Mr. Lustig responded in terms of what the City's spending today, lets...

Alderman Guinta stated it appears as though we're spending \$35,000 plus whatever personnel. I'd like to know what we would spend per year with this new equipment.

Mr. Lustig answered OK let's reacclimate ourselves for a second. Let's go to the fourth page from the front. The citywide mail processing survey; the summary of expenses. Let's just look at the bottom piece where it says presorted mail. Let's separate that out from the top part for a second. See where it says presorted mail, third page in?

Chairman Gatsas asked that's on your summary of presorted mail?

Mr. Lustig replied yes sir.

Chairman Gatsas stated fourth page from the front, let me understand the total cost and expenses, is about \$85,000. Is that correct?

Mr. Lustig replied that's absolutely correct.

Chairman Gatsas continued so this sheet here is...

Mr. Lustig interjected my proposed costs and Frank had said that...when Frank had said the number \$35,000 it didn't sound right to me. The proposed cost of just what's being spent on a line item basis, Okay on the presorted mailings, the envelopes the labels, the forms, out-sourcing of the mail. Annual dollars spent on return mail, in other words, postage that I've spent and had to respend again, that totals out to be \$85,000.

Chairman Gatsas stated Alderman Guinta for some reason doesn't have that page. No wonder he's confused by it. So what you're saying is the total cost of the City right now is \$85,000, you're proposing that it would be \$34,000 along with purchase of lease of the equipment and in year one we'd either see a cost to the City of \$43,000 if we purchase the equipment...

Mr. Lustig answered that's correct.

Chairman Gatsas continued and then the savings would start collecting in year two.

Mr. Lustig responded correct and then go up incrementally through year five.

Chairman Gatsas stated when you say incrementally you're showing almost a doubling of the City's costs on an annual basis. I don't know why you've done that in your proposal. It goes from \$84,000 to \$169,000 to \$254,000 to \$339,000...

Mr. Lustig replied yes...because...the way the process is currently being done, the cost incrementally...I say incrementally, I meant cumulatively. So cumulatively those costs from year one to year two basically we spent another \$84,000 for a total of \$169,000. Year three we add another \$84,000 so that in year four we add another \$84,000 and so on and so fourth. The proposed annual costs that I'm proposing is with all the savings we can produce, the hard dollar savings, the first year is going to be \$34,900 the second year is going be \$34,900 times two, then \$34,900 times three and so on and so forth. So my annual savings...gross savings not net savings, will be the next line item, which would be \$50,075.60 again times two, times three, times four and times five.

Chairman Gatsas stated well actually once we pay for the equipment the savings would be somewhere around \$44,000?

Mr. Lustig replied correct. Where I get into my net savings so...

Chairman Gatsas stated but that would be carried forward to the years forward, so looking at it and saying it's a quarter of a million dollars cumulatively, it's probably a true statement, however if the mailing continues to grow at any kind of rate, that savings would continue to grow.

Mr. Lustig replied that's correct, yes.

Alderman Forest stated I notice somewhere something about labor. You've got zero here on page four of six. The question I have is, I see where the labor is zero, but where would all this mail go to?

Mr. Lustig answered good question Armand. That's a couple of...

Chairman Gatsas interjected that's Alderman Forest. We're pretty much official here.

Mr. Lustig responded Okay sorry about that. As far as the space goes, the mailing equipment that I'm proposing doesn't take up any more space than what you're seeing in the past. I can't tell you where to put the piece of mailing equipment, but I can tell you a good spot for the Documatch is going to be in the IS Department. That's where all the out-sourcing of mail is being processed today. So that acts like a network printer, anybody in the City can print through the network and produce the finished mail piece in IS. And all someone is doing at that point will be taking off the envelope as they come off the Documatch, put them into a tray, and send them off to the post office. Today what's happening, that time is being spent on preparing all of these documents to be sent out to an outside source. So I think we have a...I think we're going to come out with a net savings of time as well. Did I answer your question?

Alderman Forest replied yes, that's one of them. Again, someone would have to operate this equipment. Correct? We haven't figured out what we would pay that person?

Mr. Lustig responded as far as what we had talked about was that in today's world there's a carrier that goes from each department that collects all the mail three times a day.

Alderman Forest stated I understand that.

Mr. Lustig added our proposal was we think that that carrier is going to have time also just run the mail not the Documatch. Just running the mail, processing the mail piece. In other words taking it, putting it on the mail machine, weighs and posts and never have to touch it again at that point in time. As far as the Documatch goes, the person that is currently in IS, I believe there is a girl there right now that is processing the mail to send it out to your mail house, her time is saved because she's not doing that, rather what she's doing is periodically she's going to the Documatch and pulling off a stack of envelopes and putting them into the tray. That's essentially what she would be doing.

Alderman Forest stated you may have lost me here. Are you including in your price here what it would cost the water works, the environmental protection agency, I guess that's EPD, the water works and other departments in the city who now do their own mail in house?

Mr. Lustig answered yes.

Alderman Forest continued if you're proposing that they all do it with your equipment, then the question I have is they would now have to get that mail from where they are where they do it now to this central processing place, which we don't have yet. That's a cost too.

Mr. Lustig responded it's all done by hitting the print button on their PC. So when they're printing their bills today, Okay let's take EPD for example, when they're printing their bills today, they're printing on the printer at EPD. With our solution what they would be doing is printing to the Documatch at IS, printing, folding, stuffing, printing an envelope and then spitting out in presort order. So there's not processing of the mail being done at each individual department at that point in time.

Alderman Osborne stated you had mentioned that we are going to purchase the equipment?

Mr. Lustig answered from a depreciation standpoint, typically it's depreciated five years, but what I call the capability in terms of volume, the City can go 100 percent and still going to handle the volume that...

Alderman Osborne asked what about the service?

Mr. Lustig answered the service is all included.

Alderman Osborne stated it should all be included in the price.

Mr. Lustig responded it's all included.

Alderman Osborne continued but the life span is about five years with this volume. Is that what you're saying?

Mr. Lustig replied I want to make sure I'm understanding your question correctly. From a depreciation standpoint, from a tax standpoint, people usually depreciate...

Alderman Osborne asked but how long will this equipment last with this volume?

Mr. Lustig answered I can only tell you this. It is capable of handling twice the volume that the City is doing today. So if the City doubles in volume, I'm going to estimate eight or nine or ten years at that point.

Chairman Gatsas stated I guess we have another presentation from FORMAX.

Good evening my name is Eric Flinton and I'm with FORMAX. First of all I'd just like to thank you for the opportunity to present some information. I think it's also a good time to thank Pitney Bowes for the exhausted study that they put together. Whichever direction the Council chooses to take I recognize there was a lot of work put into the accumulation of that data from all the different departments. I'm going to take a slightly different way of making the presentation. The goal of my presentation is to make you more familiar with the reasons and benefits behind the components of a centralized operation. I think that's the question that we're looking at today is right now we eight different departments, or nine different departments all processing paper. Now what we're considering is bring it all into one place to save money and to maintain control. I'm going to give you a little bit of background of how that's typically done, why you would do it. I'll offer you a proposal so you can get an idea of our numbers and let you go from there and make your own decisions, ask questions.

Mr. Flinton continued Okay. FORMAX is...just to give you a quick outline of what we're going to do, I'm going to give you a quick introduction to FORMAX so you can get a feel for who we are and what we do. Again, we're going to go through why create a centralized mail processing solution. Points to consider. The points to consider section are questions like who's going to do the printing, who's going to do the formatting, is it going to take an extra person to run this? Questions, which I don't really have the answers to, but you as a board should consider because you need to evaluate those thoughts as part of your decision process. Components of a centralized mail operation, I'll give you our proposal and then I'll have a quick question and answer session.

FORMAX, we were established in 1987 in Dover, NH. We introduced the first FORMAX line of products in 1993. Our number one product in our flagship product is a pressure seal mailer which I'm sure you've all received in the mail the documents where you tear off the side and tear off the top and you either have a tax bill or you

have a check. Our machine processes the paper to do that format. Currently we're the largest pressure seal provider in the United States. We have a picture there of our facility that was created in 1998 and expanded in the year 2000. Basically our products get put on the street one of two ways. We have a direct sales force, which services NH, Maine and Massachusetts. We also have a reseller network throughout the United States. So it would not be uncommon for us to be in California and for a city out there to be having a similar presentation. On one side Pitney Bowes, on the other side FORMAX. So that gives you a little bit of background. Okay, why create a centralized mail processing solution? The big one is cost savings. The study comprehensive completed by Pitney Bowes shows a cost involved with the current mailing process. From the summary of expenses I took these figures. The average monthly cost \$7,999. Then what I did was I took the costs that are going to be there regardless. Regardless of how you do it you're still going to have costs on forms, envelopes and labels, however, you whether it's five cents an envelope or three and a half, you're still going to have that fixed cost. Then you're still going to have a monthly cost on postage. What I did on mine, we have a slightly different option for the members to consider when it comes to the postal discount. So I actually increased a little bit from what Pitney Bowes used on their postage and then I also added in the monthly miscellaneous cost for items that may not be accounted for. So the cost of the current system per month less typical expenses, gives us the number of \$1979, and the amount that we get beneath that number is going to be the savings realized. Okay another comparison and Bill mentioned this as well, the comparison of the proposed hardware versus the existing hardware. Even if all factors being left constant, if 12... basically what it is I took the cost of all the meters throughout this building and throughout the City, I put a cost associated with that. The cost for that is \$917. So that's also another good indicator that used when looking at the cost of proposed solution. What's it going to compare to \$917? That's what we have for hardware costs right now. Okay the other big reason for having a centralized mail process is control of the process. And again you can't really affix a number to that. There's no hard number or figure that you could use. But we find that many municipalities and other entities want to control the way the mail is processed. They're not comfortable providing somebody with their mailing list. There are security issues when it comes to out-sourcing payroll. Providing information to outside agencies other than the City. Now that non-tangible is also a big factor. The amount of factor that it is in your particular case, only you can decide. We can illustrate the cost but you know the other reason is for maintenance and control of the process. You have to weigh how important that particular piece is.

Mr. Flinton continued points of consideration. Again, some of the things that need to be considered when trying to evaluate your options. Number one, location of the mailroom. That takes in many different pieces. First of all, where is it going to be located in proximity to the other departments? Is it going to be in the same building or is it going to be in a different building. How much room is that particular place going

to have? Are you going to have enough room to put a mailing system that takes up fifteen feet or are you going to be relatively restricted with space? Not only will you need to store the machine and have room for the machine, but you're still going to have to store forms whether they're blank or whether they're preprinted and envelopes. When you're storing those, another consideration is what's the climate control like in that particular location? Because it will be affected by humidity, so that's another consideration. Again, these are things that you're going to have to make a decision on how important they are. Mail processing sequence. When it comes to that we need to look at who is printing, how it's being done, how it's going to get transported to the central mail house and the ability for these independent departments to change, because in certain municipalities when things have been done one way for a long time, some people will resist change. The Finance Department. It's very common for the finance department to have their own machine. Typically they're running tax forms, they're running payroll, or they're running things that typically aren't handled by the central main room. Again, that's another item to consider. Are we going to run our payroll through a central mail processing system or are we going to leave it alone in the finance department. Human resources the same thing. You'll want to consider how many hours a month you think it will take for this process to be done. For us to process all the mail for the City. How many hours are going to be incorporated? Again, something we can't answer, we can give you a good indication but we can't answer because we don't know how you want to process it. If the mail is there every morning, it could easily take the guy a few hours every day or girl whoever's running machine, a few hours a day and then they're onto something else. Again that's going to depend on how the job site will be laid out. In service education programs. Again if you're going to run a central mailing service, it makes sense to have the person handling those mailings to try and educate the different departments as to what are good mailable pieces are what aren't. Finally, the long-term versus short-term goals, is the plan currently the best...is the plan being considered now, are we looking for the most cost effective, most flexible way of doing it and as little change as possible. Or are we looking at a situation where we have an availability of funds, so if we're going to look to outfit a central mailing process, this is time to do it so we need to consider all of our options. Now the basic components of the mailroom. Typically found in the mailroom you have number one a printer. Again, it's going to depend on where you want to print the document. If they're going to be printed at the mailroom, they're going to be sent electronically and that needs to be considered. A lot of municipalities we find the printing is done at the departmental and just brought down to the mailroom by somebody. The second piece of the puzzle is the mailing system. That's basically your postage meter, your scale, an optional printer, and conveyers. Basically all that does is print postage on the outgoing letter. The third piece is a folder inserter. This is a machine which takes documents, folds them, inserts them into an outgoing envelope and typically can also fold documents, seal the document in the envelope and also not seal the envelope if you choose. Postal software. Again Bill mentioned this. These are where you allow yourself the ability to get postal discounts.

The way you do that is having verified correct addresses, as well as verified updated addresses from national change database. The last option that would show up there is an addressing system. The addressing system can be used to print on non-window envelopes again in conjunction with the postal software. It affords you discounts for postage. On our particular proposal I didn't include postal software and an addressing system. Typically when someone implements a central mail processing facility or location, we don't see them take the step to do postal software and addressing systems right away. Typically they bring in a meter, they bring in a folder inserter to get used to that. Once they're comfortable with it then they'll add the postal software and the addressing system. It comes to the postal discounts you'll see in the proposal I've counted for a way for the City to receive those postal discounts without having to go through the hassle of the presort sequence and follow all the US Postal Service rules and regulations. Now to our proposal. The proposal that I included here is a FORMAX FD-644 special folder insert. The leased price is \$795 a month. Basically it's a four-station stand-alone folder inserter that gives the City of Manchester complete flexibility. It's not in combination with the printer or meter. It's a stand-alone unit. It has the ability to take heavier or glossy coated stocks, as well as just your standard 8 1/2 X 11, 20 lb. Sheets. And typically that's going to handle a wide variety of applications. The second piece of the puzzle is the mailing system, which is a FORMAX M-500 mailing system and meter. So it incorporates an electronic scale, the postage meter and the conveyer. Our proposal doesn't include one machine which does everything. We like to think by offering separate pieces you're going to get the most flexibility and be able to handle the start up and the need for that flexibility goes with it. And the last thing is New Hampshire mailings. This is where we achieve the postal discounts. What NH mailing offers is a service where they'll actually send a carrier to your mail house to pick up mail that's to be going out. What they're going to do is they're going to run it through their system and apply a bar code. What that bar codes does is it qualifies the outgoing piece of mail for a lower postal discount. The other part of that is since NH mailing is saving you basically ten cents a piece per mail, they'll split that with the user. Then again that's going to be better than sending them out at 37 cents or 38 cents and you're going to save your five cents. You're not going to have the hassle of building, banding, following all the US Postal Service regulations. Its not...that's not an easy step to take if you're just beginning a mail room. Typically not one is done right away. Again just to go a little bit more into the machine, the outgoing volume breakdown...average monthly volume 22,000 pieces, average yearly items 20,000 pieces, tax bills 60,000 pieces two runs. Basically this which was included with your package also, just explains that the inserter and mailing system that we proposed has the ability to handle that, actually has the monthly duty cycle of up to 60,000 filled envelopes per month. So we're going to be able to put in a machine that can handle it currently and handle the growth. Functionality breakdown again just speaks to the flexibility of the machine has more feeders, is capable of intelligent inserting which is optical mark recognition which Bill also mentioned in his presentation. There are glossy colored heavy paper stock can do fold only and multi

feed. It has a special feeder again that provides flexibility; multi feeding again is a nice function for an inserter to have. Again talks about the modular design versus the horizontal space. That's the picture of the inserter to show what it looks like. Chairman Gatsas asked any questions.

Alderman O'Neil stated I appreciate the efforts by both gentlemen and their respective firms. I guess the concern I have Mr. Chairman is that they know what we're looking for. They are recommending what they think we're looking for.

Chairman Gatsas interjected Alderman you took the words right out of my mouth.

Alderman O'Neil continued I'm not sure the City knows what we're looking for and I was going to make...I'll throw this out as a suggestion, I'm not sure of the legal process. Is this a bid? Is this a proposal?

Chairman Gatsas responded I believe the way this started Alderman Lopez suggested to Pitney Bowes to give us a presentation. That went through the process to see if somebody else would do the same sort of thing so both of them are here giving us a proposal. One is...they're both very different. One is say you have a central mailing room the other is say it leaves you the flexibility of doing it in the departments that you're doing it and giving you other equipment to do that.

Alderman O'Neil added if we decided to proceed, is this a bid or is it a professional service that they're providing? The solicitor's sitting behind me Mr. Chairman.

Solicitor Tom Arnold replied I would think it would be a bid.

Alderman O'Neil asked you would think?

Mr. Arnold stated it would be a bid. I don't see this as a service.

Alderman O'Neil replied so it's a low bid then?

Mr. Arnold replied unless you chose to go through an RFP process where you could consider factors other than price.

Alderman O'Neil asked so we say we have these problems, how would you solve it? Type of thing.

Mr. Arnold replied yes.

Alderman O'Neil stated what I was going to suggest Mr. Chairman was maybe that we ask...I don't know how much involvement any of the city departments have had. I

went up and spoke briefly with Diane Proulx and I don't want to speak for her, but I don't think the information systems group has been involved in this. But the survey...but not in the recommendations and my suggestion if I may Mr. Chairman would be to ask City staff to set up a little committee and I just jotted down five departments that I think would be the most involved. Those would be the City Clerk, information systems, highway as EPD, tax collector and water works to kind of flush out what do we exactly looking for. Do we want a central mailroom or does it make sense to...for these departments to operate individually. I'm sure there are other departments that do some mailing planning, fire department, but I think we've got the cart before the horse here...

Chairman Gatsas asked so you want to make a motion to set up those five departments...

Alderman O'Neil answered and let them flush out exactly what changes need to be made. Do we have the facility to host a central mailroom that I can't...it would take so much space...

Chairman Gatsas stated we'll direct Matt Normand to facilitate this with those five departments and if there's another one that he thinks that or through the survey process that he believes is using a lot of mail and may want to participate in this, so I'll take that as a motion.

Alderman O'Neil added and just because I understand in my involvement on the Committee on Alcohol and Other Drugs that when we talked about doing insert mailings, Diane seemed to be the leader of City staff with regards to mailings and I don't know if she's will to volunteer it on behalf of the committee. I don't know who the most appropriate one is, but I do know that Diane was well versed on the mailings when the Committee on Alcohol and Other Drugs...she's probably going to shoot me after this meeting but... They need to have one person that's going to lead the effort a little bit and maybe Diane can work with the others to determine who that should be. And just figure out what we want to do here. I appreciate the efforts from both gentlemen and their firms. I'd be interested in just getting a list of, at some point a list of your current clients, especially government or municipal or estate or maybe county clients that you may have.

Chairman Gatsas stated let us have the committee receive all of that information and then report back to us.

On a motion of Alderman O'Neil, duly seconded by Alderman Osborne, it was voted to have the following five departments set up a committee to gather information on this and report back the committee: City Clerk, Information Systems, Highway as EPD, Tax Collector, and Water Works.

Alderman O'Neil stated I think this has been very helpful to us.

Chairman Gatsas stated I think obviously when you're looking at \$50,000 a year, efficiencies and savings, that's something we should look at.

Alderman O'Neil thanked both gentlemen for their efforts.

Alderman O'Neil stated I know that that the public works folks are here on item five. I don't know if we have time for that tonight Mr. Chairman.

Chairman Gatsas replied that's totally up to the Committee or do we want to leave it there?

Alderman O'Neil asked Kevin how long is the presentation?

Chairman Gatsas replied it's all up to the Committee's wish.

Alderman Forest asked do we have to take it off the table just to discuss it?

Chairman Gatsas answered yes.

Chairman Gatsas addressed Item 5 of the agenda:

Request of Mayor Baines that the Committee act on the Bag and Tag Proposal. (Tabled 9/18/02 pending presentation by Public Works Director.)

On a motion of Alderman Forest, seconded by Alderman Osborne, it was voted to take Item 5 off the table just for discussion.

Alderman Forest stated I recall the controversy of this several months ago when we brought this up and Frank was here then, and he did ask us to wait so he could present...have a presentation. So I'm willing to listen to Kevin or a presentation and do that.

Alderman O'Neil stated this is the presentation I believe. Joanne and Kevin to make the presentation I believe.

Alderman Forest so can I just make a motion we hear the presentation then...

Chairman Gatsas replied that's fine, you can do that. Kevin and Joanne you want to come up and give us your presentation. We took it off the table so we can...

Alderman O'Neil stated Mr. Chairman I don't think I've ever been here when we've had three power point presentations in a row.

Alderman Forest asked Kevin, Frank forgot to give you the password to the program? Only kidding, only kidding.

Joanne McLaughlin started good evening Aldermen. I want to thank you for the opportunity to give this presentation, the results of our research on pay-as-you-throw program and anticipated results should the program be implemented in the City. I would like to set the stage for tonight's presentation with a brief historical review of the City's solid waste program, it's current operations, and proposed future changes in the program. These are some highlights that have led us to where we are today. Does anybody remember when we used to drive down into the dump? In the early 1900s the Dunbarton Road site was used for sand and gravel mining. The site was also used as an open dump where burning occurred. In 1937 the incinerator was built and ash and noncombustible materials were brought to the Dunbarton Road site and buried there. In 1978 the incinerator the closed, in 1993 the State banned all yard waste from landfills, and in 1996, a big year for the City, the landfill closed, the recycling program began, and the drop off center opened. This graph shows the history of the population growth in the City over time, specifically 40 years. It is notable to see that the City increased in population 18 percent over 40 years. Reflecting that, and far surpassing the growth, is the growth in solid waste in the last four years. We've seen a 16 percent increase in the amount of solid waste that we're producing as a city. I'm using the term integrated waste management here to describe the multifaceted comprehensive program that the City's solid waste program currently has. The City does week side curbside...weekly curbside recycling of MSW with the City crews. Waste Management provides biweekly curbside recycling for this there's no charge for customers individually. Recently we've had about a 47 percent participation rate in the recycling program. That's 47 percent of the households appear to be recycling. They recycle commingled containers, paper, cardboard and we're about to start our spring weekly clean up, which will run from April 7th and then for six weeks. We also have special collections at the curb including bulky waste, couches, and mattresses. An appointment must be made to pick these up but there's no charge. Appliances and metal you also have to make an appointment and there is a fee applied to that. The services that we provide at the drop off facility, which is opened Monday through Friday from 7:30 to 3:00 and the first and third Saturdays of the month from 7:00 to 11:30, include a host of materials which can be brought to the drop off. Of course all of the recyclables, the paper and the commingled containers are recycled for free. Cardboard can also be brought there for free, automotive waste such as tires, oil and automotive batteries can be brought there and we recently started a rechargeable batteries program where people can drop off their power tool batteries and such, and we package them and ship them out all at no charge to the City. In addition to the drop off facility we do provide MSW municipal solid waste, yard waste and scrap metal

collection at six cents a pound. We take construction and demolition debris at seven and one half cents a pound and white goods, that's appliances, we take for either for \$10 or \$15. One of our new programs that we again recently started was a CRT program, that's cathode ray tube, that's computer monitors and television sets and we take those at seven and a half cents a pound. We also collection stumps and tree butts and there is a fee per pick up for those services. In addition we run a household hazardous waste program twice a year. There's a 50/50 cost split with the NH DES. This past October 12th we completed our most recent hazardous waste collection. That allows the City to detoxify the waste stream. That is to pull out all the toxic materials that might otherwise end up in a landfill. The collection is funded as I said by a 50 percent cost match with NH DES. This program gives residents the opportunity to clean out their garages, basements and under the kitchen sink of all toxic materials. On October 12th we had over 350 cars that came to the drop off facility and they disposed of about 350 gallons of waste oil and 650 gallons of toxic materials, and all of these were removed from the waste stream preventing the City's municipal treatment plant and storm water system and leach fields from handling those substances. The downtown schools and City offices are also recycling. I visited all of the public schools and City office buildings recently, and in all those visits I was accompanied by ServiceMaster management staff. We would meet with the principal and the lead custodians so that everybody was on the same page on what it took to have a successful recycling program. We performed inventories of all of the recycling equipment, supplied extra baskets, bins and toters as they were required by the schools. Some of the schools have very active participation. The middle school children themselves are running the program, they collection and put out the toters and I've also be working with a couple of the high schools, Central and West High Schools, where their students for environmental action have a very active club where they're trying to promote the recycling I the City. Some new programs that we recently started included a Freon extraction program. In the past we have had a vendor come to our facility to extract Freon from all of our refrigerators, freezers and air conditioners and this cost us about \$8 a unit. We have now stared a new program where we reclaim the Freon ourselves at a cost of less than \$2 per appliance. Resulting in a savings of \$6,000 over the course of the year. The other program we recently started is the cathode ray tube, that's computer monitors and televisions. The average 27-inch television contains about 7 pounds of lead and the new universal laws require that we not put the televisions and the computers in our containers with the rest of the material. Now these are sent to a demanufacturer, they are not buried in the ground. They are taken apart, what can be reused is reused and sold or given to charity and the rest is broken down into parts and sold on the market as parts. We also just stared, as I said, the rechargeable battery program, that's power tools and small lithium and nickel batteries. So we're getting those out of the waste stream also. In the future we hope to develop programs for recycling florescent light bulbs, which contain a small amount of mercury that can pose a human hazard to health, and also recent laws in the National Fire Protection Association's gas code requires over filling

prevention devices to be placed on all propane tanks, although a lot of the tanks that are out there now are obsolete and must be replaced with the new ones. Now that we've looked at some of the things that we're currently doing. Let's see how our numbers stand up. The State legislature proposed a goal of 40 percent diversion of recycling by the year 2000. Currently the State of New Hampshire has a diversion rate of about 27 to 30 percent. In Manchester the diversion rate last year, in 2002, was 20 percent. In 2001 it was 22 percent and at the end of 1990 it was hovering at about 28 percent, so recycling has fallen off. What is the next step? How do we improve the situation we're in now? Well ideally we want to decrease the amount of solid waste that's produced in the City. We have an increasing population, an increase in the per capita waste generation rates, increase in solid waste collections, increasing disposal cost, increasing transportation costs, and decreasing diversion rates. When looking for ways to reduce the amount of solid waste that we have to transport and dispose of, and we want to do this in a cost effective and environmentally friendly manner, the best was to reduce solid waste is to increase recycling and the best strategy for increasing recycling is with the user fee program. At this point in time, the City has two choices in how future municipal solid waste costs will be handled. One choice is the path that we are on now, and that means escalating taxes for everyone across the board. The other choice would be to appropriate solid waste costs based on the usage of services. Under this program each household controls their solid waste costs by minimizing the amount of waste that they dispose of. The current system was have looks like this: let's say you and your neighbor both owns homes that are assessed at \$150,000, you pay the same amount of taxes. The same amount of your taxes goes to solid waste disposal. Say you have a spouse and the two of you produce about one bag a week of trash. But the guy across the street has two children and a spouse and he's producing four bags of trash. You are in essence subsidizing his trash removal services. We're looking for a system that would be fairer so that those that generate the most waste will pay the most, and those that do a good job at minimizing their waste, pay less. And the solution, according to the research we have done, is that the most effective way to increase recycling and to produce an enhanced recycling program, is by many different names. You may have heard bag and tag, pay-as-you-throw, pay per bag, user fee programs, unit pricing, volume based pricing. To date 36 municipalities in the State of NH have bag and tag programs. One hundred and ten municipalities in the State of MA have these kinds of programs. Over 5,000 communities nationwide, and this is a number from last summer, are currently have bag and tag programs. The NH towns that have successfully implemented bag and tag programs, among the 36 include Dover, Exeter, Lebanon, Claremont, Keene, Somersworth, Newmarket and Hanover. How could we expect the program to work? Households are going to be charged a user fee based on the amount of trash they throw away, not on the value of their homes, the assessed value of their homes. The pricing would be \$1 for a 30 gallon bag, 75 cents for a 15 gallon bag, and \$3.50 for each tag, and those would be applied to the items that do not fit within these trash bags. The bags would be sold through retail outlets. Most people that I've talked to recommend a minimum of a

nine-month implementation period, because there's a lot of education that goes into this. Educating the public, educating the officials and just developing the whole program. Also part of this program would be to hire two staff persons who would be doing education and enforcement. What are the incentives for residents? Reports from pay-as-you-throw communities indicate that since residents want to minimize the amount of trash they dispose of, and therefore the number of bags that they have to purchase, all towns have reported substantial increases in recycling and substantial decreases in municipal solid waste. And with recycling and yard waste collection free to residents, it really minimizes the amount that has to end up in the trash bags. The revenue from the sale of the bags and tags will subsidize much of the solid waste management costs that are supporting right now and in this way it will help to reduce future tax increases related to the soaring amounts of waste that the City is producing. The financial incentive to the City. Well I could drop right down to the bottom and I think that's very clear. In the first full year of operation the City can expect a savings of \$2,378,000 in the first full year. Curbside recycling is currently a lump sum contract but no matter how much waste management picks up we pay the same monthly fee. We would expect that after a while we would convert to once per week recycling. I know in Worcester they continued having their biweekly recycling for a few years and then realized how much better it was for them to go to weekly. It really minimized the problems for the residents in understanding what was required of them to put their recycling and their trash out on the same days. Of course if we do increase to once per week recycling there will be added fees associated with that. But these fees will be offset by the sale of the bags and tags and we would decrease the existing MSW costs that we are now experiencing. I visited Worcester last October and was very impressed by the program that they had there. They started their program in 1992 and they didn't even have a curbside recycling program. The first year they were in operation they saved \$1 million. Dover, which was the first town in NH to go to bag and tag, saved \$300,000 in its first year. The other information that I get from speaking with other towns and the Department of Environmental Services and the Governor's Recycling Program is that change is challenging and there will be a lot of details in the beginning that we'll have to work out. They have also experienced that there has been no significant increase in illegal dumping. The illegal dumping that most municipalities experience are with bulky wastes any way, with couches or chairs that end up on the side of the road. And this program, which would include two enforcement staff, I think the alleys and the streets will end up even cleaner than they are today. Now enhanced recycling results. Quickly, the savings of \$2,378,000 in the first year. If the program were to begin in October we could have seen a \$1.5 million savings within the rest of that fiscal year. It's an equitable system of payment. We would lower solid waste management costs by reduced disposal costs, reduced transportation costs, and there's a potential for fewer collection vehicles if the recycling numbers sky rocket and the municipal solid waste tonnage plummets. This would also free up funding for other municipal services. In summary, savings of \$2,378,000 in the first full year, reductions in solid waste from 25 to 35 percent are not

unusual in towns that have started this program. There have been experiences...most towns have experienced increases of recycling from 30 to 60 percent. This also allows us to conserve natural resources, reduce pollution and save energy. Thank you. Chairman Gatsas stated thank you. The question I have, I'm looking here and it says that the savings in Worcester was \$1 million in its first year. What's the population of Worcester?

Ms. McLaughlin answered 175,000.

Chairman Gatsas asked maybe you can explain to me where we're just about one half their size, but we're about 130 percent more in the savings the first full year versus what they do.

Ms. McLaughlin replied right. That was due to the fact that when Worcester began their program, they did not have a curbside recycling program and they weren't picking up the bulky wastes. So they really had to start those programs all at once. Chairman Gatsas asked and how long has Worcester been in operation now?

Ms. McLaughlin replied since 1992.

Chairman Gatsas asked what is their current savings?

Ms. McLaughlin replied I don't have their current savings, but I do know from talking with the assistant deputy commissioner down there, that when they first started the program they had about a 97 percent participation rate. They currently have a 99 percent participation rate and that's only because there are transients that move in and out who really don't know what the system is. I recently spoke with someone who recently visited Worcester and the streets were incredibly clean. Noticeably clean. That's another plus byproduct that we would expect of this program.

Chairman Gatsas asked are you saying that the million dollars was based on a 97 percent participation rate?

Ms. McLaughlin replied right.

Chairman Gatsas continued so if we've gone to 99 percent, which is a two percent increase, then I'm sorry I guess I'm confused by the original question I asked you. If it's 175,000 people in Worcester and they had a 97 percent participation rate, and there was \$1 million savings, how are we going to save two million four, even if we had 100 percent participation rate, how can that be?

Ms. McLaughlin answered well it will be from the...first of all their bags and tags were priced a lot lower than we're currently suggesting. So we're going to have more

income. The other thing was they had to establish a recycling program, they had to establish a satellite transfer station, so they had a lot more going into it. We are way farther ahead than they were.

Alderman Guinta stated I have a similar question regarding the savings of almost \$2.4 million. On the enhanced recycling results page, you third bullet down says lower solid waste management cost, and then you've got several additional bullets underneath that and then the last bullet: free up funding for other municipal services. To me what that says is the savings that the City would achieve would be automatically spent in other areas. Is that accurate?

Ms. McLaughlin responded that's really up to you I guess and what you're going to do with the budget. We're suggesting here that...

Kevin Sheppard added I agree with Joanne. What we're suggesting is that's money that could be used at other projects or it could be to lower the tax rate.

Alderman Guinta asked if the board then chooses to use the "savings" on other projects, there is not ultimate savings to the taxpayer because the taxpayer is paying the same tax rate and the amount of money that it costs to purchase each bag. Would that be a fair assessment?

Ms. McLaughlin replied what the board does...

Alderman Guinta stated just assume for a moment that the board does not elect to cut...let me back up. Do we know much in our tax bill we pay percentage wise for tax collection in the City of Manchester? Can you give me an average value home and what their percentage is and what their dollar amount is per thousand valued?

Mr. Sheppard asked for trash collection or solid waste costs? I'm thinking a million dollars I believe is around 20 cents on the tax rate maybe. And if we take all solid waste costs perhaps \$5 million.

Alderman Guinta asked so that would be \$1.00 on the tax rate?

Mr. Sheppard replied on the tax rate. That's a quick calculation.

Alderman Guinta stated so anywhere from 20 cents to a dollar. And the board so chooses to keep that money, there is no savings to the taxpayer.

Mr. Sheppard replied well you're right. I mean if the Aldermen choose to take that savings and put it towards another project or put it towards some other item versus reduce the taxes, you're right...100 correct, but there's an increase in service to the residents by for a project that gets done that perhaps wouldn't have gotten done.

Alderman Smith stated I have a few but I'm going to try to limit the time. First the drop off facility it says here they're open Monday through Friday 7:30 to 3:00 and then their open on the first and third Saturdays from 7:00 to 11:30. I mentioned this in the past and I have a problem with this. No that I'm working now, but when I was working most of the jobs I had were done at 4:30 or 5:00. It's very difficult for the average consumer to make it to the drop off zone, because the time they get there it's closed or it's not open by the time they go to work. The first and third Saturdays are fine unless that Saturday happens to be a holiday or it's raining. So again the average consumer who's cleaning out their yard and everything else can't get to the drop off zone. So one of the suggestions I had was maybe the hours be extended one way or the other and that they're open longer on Saturdays. Because you mentioned the chairs and the tires and the couches that would be at a minimum. Unfortunately and I can only speak for my ward and I've mentioned this before, my ward is drywaller's heaven. They don't want to pay the price at the drop off, they don't want to pay the price here. Most of this stuff ends up behind Kimball Street or in the wooded areas in my ward and all of these are private property, so the people who work for Kevin at the Highway Department won't clean it up. If it ends up on my lawn, if I call Kevin yeah I may pressure him to come to my house and pick it up now as long as I'm an alderman, but the average constituent if they find a couch on their lawn in the morning, either they pay the price to come and pick it up or it doesn't get picked up and there was one other one again. The hazardous waste, you only do that once a year.

Ms. McLaughlin replied hazardous waste is done twice a year.

Alderman Smith stated even at twice a year. A lot of people don't keep this in their yard. They'll go dump it on the side of the roads. So there's problems with the way we handle waste and all that in the City and it's difficult for the consumer...you know you want to teach them to do it right, but it's difficult for them or even for me when I clean up my yard on a Saturday to ride around with my pick up truck or my trailer for a week with this stuff in there, and that's some of the problems we have.

Mr. Sheppard stated I guess my only answer to that is perhaps some of the savings that could be produced by this program could be utilized to extend the hours at the drop off or to create a full-time hazardous was program at the drop off.

On a motion of Alderman Osborne, duly seconded by Alderman Forest, it was voted to table this item for further reference.

Chairman Gatsas addressed Item 3 of the agenda:

Appeal of the denial of taxi driver's license.

Chairman Gatsas stated lets go to number three because I believe...and we can just do this receive and file. I believe that the taxi appeal called in and said he wanted...

On a motion of Alderman Guinta, duly seconded by Alderman Osborne, it was voted to receive and file this item.

On a motion of Alderman Guinta, duly seconded by Alderman Forest, it was voted to adjourn.

A True Record. Attest.

Clerk of Committee